

TOWN OF HERNDON

Enriching the Quality of Life and Promoting a Sense of Community



NEWS RELEASE

FOR IMMEDIATE RELEASE

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TOWN OF HERNDON PROPOSED FY 2011 BUDGET PRESENTED TO TOWN COUNCIL

Herndon, VA (April 1, 2010) – Herndon Town Manager Arthur A. Anselene has proposed a FY 2011 Budget of \$42,252,600, a 2.7 percent increase over the adopted FY 2010 Budget of \$41,128,785.

According to Anselene, the year-over-year budget increase is a reflection of an increase in state and federal grants secured by the town to fund projects in the town's Capital Improvement Program (CIP); absent these grants, the town is facing a \$2.1 million recurring revenue decline that is evidenced in a 3.5 percent decrease in general fund recurring budget expenditures, to total \$29,045,290 in the proposed FY 2011 Budget.

“Approximately \$1.3 million of the decrease is due to a 15.3 percent decrease in residential and commercial real estate tax values,” Anselene said. “In particular, Herndon, with a 23 percent decline in commercial real estate values compared to last year, is not immune to the overall office market decline throughout the Dulles Corridor.” Anselene attributed the remainder of the town's recurring revenue decrease to a decline in excise taxes collected by the town, especially the transient occupancy tax, a direct result of the national decline in business travel as well as expansion of hotels in the area over the past two years.

Accordingly, the proposed FY 2011 Budget calls for continuation or expansion of many of the reductions implemented in the FY 2010 Adopted Budget, to include elimination or temporary freezing of 20 currently vacant staff positions; no market rate adjustment, cost of living adjustment or pay-for-performance increases for all employees; and elimination (in FY 2011 only) of events and services such as Big Truck Days, National Night Out, fall clean up, senior and youth police academies, big dumpster rental, the town recycling center, summer concert series, and more. A complete listing of proposed reductions is included in the Proposed FY 2011 Budget, available online at www.herndon-va.gov. Hard copies are also available at the Herndon Municipal Center, 777 Lynn Street, and at the Herndon Fortnightly Library, 768 Center Street. And a *Citizen's Guide to the Proposed FY 2011 Budget* is being delivered to all households.

Highlights of the proposed FY 2011 Budget include:

Total Budget Expenditures:

Totals \$42,252,600 for all funds (General Fund, Water and Sewer Fund, Golf Course Fund, Chestnut Grove Cemetery Fund, and Downtown Parking Enterprise Fund). The total reflects an increase of 2.7 percent over the adopted FY 2010 budget of \$41,128,785.

General Fund Recurring Budget Expenditures:

Includes personnel, operations and maintenance, debt service and minor capital and totals \$29,045,290 a decrease of 3.5 percent from FY 2010 recurring expenses.

General Fund Expenditures:

Totals \$33,688,030 which reflects an increase of \$1,507,750 or 4.7 percent more than the FY 2010 adopted budget.

Real Estate Tax:

Increases by \$.0075 (or $\frac{3}{4}$ of one penny) from \$0.26 to \$0.2675 per \$100 of assessed value.

One Penny on the Real Estate Tax Rate:

Equivalent to approximately \$328,900 in tax revenues (includes assessed value of public service corporations and real property assessments).

Average Residential Property Value:

Projected at \$257,539

Average Residential Real Estate Tax Bill:

\$688.92 based on \$0.2675 per \$100 assessed value.

Personal Property Tax Rate:

Remains at \$0.00 per \$100 assessed value.

Meals Tax:

Increase $\frac{1}{2}$ percent from 1.5 percent to two percent.

Cigarette Tax:

Remains at 50 cents per pack

Business Professional and Occupational License Tax:

All classifications and thresholds will remain at the current amounts.

Motor Vehicle License Fee:

Increases from \$20 to \$25 for private passenger and other vehicles weighing less than 4,000 lbs; and from \$25 to \$32 for vehicles weighing in excess of 4,000 lbs.

Consumer Utility Tax:

Tax based on the purchase of utility services within the corporate limits of the town. The amount of the tax for residential consumers contains a monthly cap of \$3 per utility.

Sewer Service Rate:

Base rate remains at \$3.72 per 1,000 gallons of water consumption. Peak rate remains at \$1.70.

Sewer Availability Fee:

Remains at \$6,250 for new, single-family homes.

Sewer Lateral Repair and Replacement Program:

Remains at \$2 per year (\$0.50 per quarter).

Recycling Fee:

Increases from \$10 per year (\$2.50 per quarter) to \$16 per year (\$4 per quarter).

Water Service Rate:

Base rate remains at \$2.90 per 1,000 gallons of water consumption. Peak rate remains at \$3.50

Water Availability Fee:

Remains at \$4,200 for new, single-family homes.

Personnel:

Total personnel costs for all funds totals \$22,929,610, a decrease of \$759,450 from FY 2010. No market rate adjustments or performance increases are budgeted for FY 2011.

Capital Improvement Program:

Totals \$4,593,000 (all funds).

Mayor Steve DeBenedittis and the Herndon Town Council will hold two public hearings on the proposed FY 2011 Budget, on Tuesday April 13 and Tuesday April 27. Both hearings begin at 7 p.m. and will be held at the Ingram Council Chambers, 765 Lynn Street. Citizens may also submit comments related to the budget online at www.herndon-va.gov or via email to information@herndon-va.gov.

The Town of Herndon was incorporated by the General Assembly of the Commonwealth of Virginia on January 14, 1879. Located in western Fairfax County, Herndon is the 3rd largest town in the Commonwealth and is home to more than 23,000 citizens. Businesses located within the Town of Herndon, which range from high tech enterprises to entrepreneurially-owned establishments, employ approximately 25,000 people. *Business Week* Magazine has named Herndon one of the nation's "Best Affordable Suburbs," and *Money* Magazine has ranked Herndon among its "Best Places for the Rich and Single."

For more information, visit the town's Web site at www.herndon-va.gov.